

Top Secret

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 NATIONAL INTELLIGENCE DAILY CABLE

 Thursday September 9, 1976 CI NIDC 76-212C



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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

DIA review(s) completed.

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National Intelligence Daily Cable for Thursday September 9, 1976.

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[REDACTED] The NID Cable is for the purpose of informing senior US officials.

CONTENTS

25X1

SOUTH AFRICA: Summit Results Page 1

[REDACTED]

LEBANON: Situation Report Page 4

USSR-SYRIA-LEBANON: *Pravda* Statement Page 6

USSR: Tikhonov Page 7

PORTUGAL: Economic Austerity Page 7

POLAND: Leadership Page 8

POLAND: Party Plenum Page 9

25X1

[REDACTED]

USSR - US - SOUTH AFRICA Page 14

CHINA: Anti-Teng Campaign Page 15

25X1

Approved For Release 2007/03/06 : CIA-RDP79T00975A029300010014-1

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Approved For Release 2007/03/06 : CIA-RDP79T00975A029300010014-1

SOUTH AFRICA: Summit Results

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[redacted] The few details available thus far on the summit conference of five southern African presidents and Rhodesian nationalist leaders in Dar es Salaam indicate that much of the two day meeting focused on strengthening the military effort against Rhodesia. The brief communique issued at the conclusion of the talks mentioned only that the liberation struggle would be intensified.

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[redacted] The five presidents probably have held off making any final decisions until they assess the results of Secretary Kissinger's meeting with South African Prime Minister Vorster last weekend. Reliable reports confirm that no progress was made toward uniting the fragmented nationalist movement.

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[redacted] Meanwhile, Prime Minister Vorster will meet with Rhodesian Prime Minister Smith early next week to brief Smith on the results of his talks with Secretary Kissinger.

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[redacted] Rhodesian security forces claim that they have been inflicting heavy casualties on guerrillas, but the level of insurgent activity appears not to have been affected.

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[redacted] According to government figures, 131 guerrillas were killed in Rhodesia during August--the highest monthly total since the fighting began in 1972. Press reports indicate, however, that the insurgents last week made one of their largest attacks ever. Some 100 guerrillas are said to have followed up a mortar and rocket barrage by raiding a Rhodesian army outpost near Mtoko in northeast Rhodesia.

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[redacted] //In southeastern Rhodesia, the guerrillas, according to press reports, shot down a helicopter last week. The Rhodesian air force faces a serious shortage of trained helicopter pilots following the withdrawal of South African pilots last month.

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[redacted] Although the heaviest guerrilla action is still in eastern Rhodesia, there have been further reports of small-scale activity in the west. A guerrilla was killed after killing two policemen in a suburb of Bulawayo, Rhodesia's second largest city.

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LEBANON: Situation Report

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[redacted] The Syrians are apparently stressing in talks with Lebanese leaders this week the need for full cooperation with the future government of president-elect Sarkis.

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[redacted] Damascus' main concern is the inauguration itself, which has now been officially scheduled for September 23, the expiration date of President Franjiyah's term.

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Approved For Release 2007/03/06 : CIA-RDP79T00975A029300010014-1

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[redacted] The Syrians would like to hold the swearing-in ceremony at Shaturah, which is well within Lebanese territory controlled by Syrian forces. This would allow the 25 or 30 members of the Lebanese parliament who are now living in Syria to attend.

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[redacted] Several sites in Beirut reportedly are also under consideration, but the Syrians no doubt are concerned that holding the ceremony in the capital would lead to a potentially explosive security situation similar to the convocation of the parliament there last April. Moreover, if significant numbers of parliamentary deputies are prevented from attending the session, Sarkis' inauguration could be challenged on legal grounds.

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[redacted] Before his departure for Damascus yesterday, Shamun apparently remarked publicly that current efforts to forge a new basis for negotiations will come to naught and that the fighting will escalate dramatically before Sarkis is able to take office. Shamun's railings will reinforce the suspicion among many Palestinians and Lebanese Muslims that the current round of talks in Damascus is laying the groundwork for another major Christian-Syrian offensive.

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[redacted] Tensions in Beirut have risen markedly over the last several days as the various factions steel themselves for the crucial period before the scheduled inauguration. The US embassy in Beirut reports that artillery duels along the main dividing line between the Christian and Muslim sectors of the city have intensified. The Arab League security forces patrolling the main cross-over point have also come under direct fire from combatants who apparently want to prevent any movement between the two zones.

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[redacted] In their talks with Phalanges Party leader Pierre Jumayyil early this week, the Syrians pushed the idea that reconstituting a military that will be responsive to Sarkis must begin immediately. They reportedly presented a detailed proposal for rebuilding the Lebanese army with the Syrian-controlled "Vanguards of the Lebanese Army" as the core of the new command.

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[redacted] The Syrians began building the Vanguards soon after their intervention in Lebanon, and although it is not a large force, its members have been hand-picked. Most are Shia and Sunni Muslims who are sympathetic to Damascus and have no affiliation with any Lebanese militia.

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[redacted] The Syrians emphasized to Jumayyil and presumably also to Camille Shamun the need for cooperation among the Christian parties. The Syrians want Sarkis to have sufficient stature to conduct meaningful negotiations, and they recognize that this stature must derive primarily from Sarkis' ability to control his fellow Christians. Jumayyil has from the start been a supporter of Sarkis; however, Shamun has a long-standing personal grudge against the president-elect, and in any case, opposes negotiations under any auspices until the Palestinians have been more thoroughly chastened.

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USSR-SYRIA-LEBANON: *Pravda* Statement

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[redacted] The USSR has issued an authoritative and relatively moderate statement on Lebanon to convey its support for a negotiated settlement. A statement in Tuesday's *Pravda*, signed "observer" to signify Kremlin endorsement, criticizes both the Syrian intervention in Lebanon and--for the first time--"leftist elements" within the Palestinian movement.

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[redacted] The US embassy views the article as an attempt by the Soviets to put moderate, reasoned views on record. In calling for a "reasonable compromise" as the "only" way out, Moscow is admitting its inability to do anything to improve the Palestinians' worsened military and political situation. The item also omits any indication that Moscow would be able to play any sort of international role in resolving the crisis.

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[redacted] The statement criticizes Palestinian leftists for "rejecting out of hand any peaceful proposals," and calls attention to the deep split within the Palestinian leadership over negotiations. This will be interpreted by Palestine Liberation Organization leader Yasir Arafat as an endorsement of his position.

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[redacted] The *Pravda* article--which is also Moscow's most authoritative criticism so far of the intervention of Syrian forces in Lebanon--terms the Syrian decision "harmful."

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[redacted] The Soviets are still pulling their punches, however, by refraining from forthrightly calling for a Syrian withdrawal and instead expressing tacit agreement with the demands of "many Arab countries and other countries" that Syrian forces leave. Soviet commentary is obviously bent on not antagonizing Damascus more than necessary.

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[redacted] Unlike the last "Observer" article on Lebanon, in April, the current article does not go out of its way to castigate Israel or to raise the possibility of US military intervention. [redacted] 25X1

USSR: Tikhonov

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[redacted] Recently appointed Soviet First Deputy Premier Tikhonov will handle foreign economic relations, a field to which the USSR attaches great importance, according to an official of the Ministry of Foreign Affairs.

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[redacted] Premier Kosygin has exercised overall direction of foreign economic relations. In view of his illness, it would seem logical that Tikhonov should pick up this responsibility.

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PORUGAL: Economic Austerity

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[redacted] //Portuguese Prime Minister Soares has postponed until today the announcement of the first of a series of economic austerity measures.//

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[redacted] //Press reports attributed the delay to the Prime Minister's "slight indisposition." Soares is known to be somewhat nervous and high-strung, but he has shown a great deal of resilience during the past two years of turbulent Portuguese politics.//

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[redacted] //The delay of the announcement may be the result of the difficulty Soares has had in getting his cabinet to agree on the proposed economic measures. More conservative members of the predominantly Socialist cabinet, probably including Soares, favor a comprehensive package that would include tax hikes on imports, wage curbs, and a devaluation of the escudo.//

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[redacted] //Members of the Socialist Party's left wing, however, are reluctant to go along with any measures that might provoke opposition from the Communist Party, which has vowed to fight measures deemed contrary to workers' interests.//

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[redacted] //Soares is probably particularly anxious to institute economic reforms to support the request he made last week for a \$300-million balance-of-payments support loan from the US this year and an additional \$1 billion in 1977.//

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[redacted] //Soares told the US ambassador that his government agrees with US suggestions concerning economic recovery measures and urgently needs a loan commitment to permit mapping out an appropriate program. He conceded, however, that his advisers are evenly divided on the question of devaluation.

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POLAND: Leadership

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[redacted] Poland's current economic troubles have led to speculation about party chief Gierek's future.

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[redacted] Several influential Polish journalists recently told a US diplomat that they were "absolutely fed up" with the Gierek regime. They appeared, however, to place the blame on the system as a whole and did not hold Gierek personally responsible. One predicted that Prime Minister Jaroszewicz would be the first to go, but implied that within a year Gierek would follow.

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[redacted] Gierek is undoubtedly in a weaker position now than he was before June. We have seen no indications, however, of any movement within the party or from the Soviets to unseat him.

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Occasional reports over the past 18 months have suggested growing dissension and factionalism within the Politburo, but no Pole or foreign observer has yet been able to link these assertions with specific names. Decision-making is evidently still by consensus and not fiat.

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[redacted] Several factors argue that Gierek will stay on as first secretary for at least the next year:

--Prior to June, Gierek was generally regarded as favoring a go-slow policy on raising prices.

--There has been no public outcry for Gierek's removal. In 1970, when Gierek came to power during riots over food price increases, the public had become incensed by brutal police suppression, and demanded the ouster of Gierek's predecessor. During the demonstrations this year, the police were held in check, and Jaroszewicz has taken much of the blame for the price fiasco.

--Gierek's resignation would publicly underscore the regime's weakness, something neither the party nor Moscow wants.

--No one is standing in the wings ready to take over. Gierek has no designated heir-apparent, and the leadership realizes that a mere change in face at the top will not satisfy the public, which is concerned about solutions to serious economic problems. Any replacement would more than likely be one of the current Politburo members, and no one in that body could inspire more public confidence than does Gierek himself. [redacted]

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POLAND: Party Plenum

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[redacted] Polish party leaders have evidently decided not to risk public anger by raising food prices in the near future.

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[redacted] In a speech to workers last Friday, party chief Gierek said the Politburo will propose the establishment of five teams, one of which will deal with establishing principles for pricing meat. He added that these teams will have at least a year to carry out their studies.

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[redacted] The leadership thus appears to have backed away from Prime Minister Jaroszewicz's proposal in July to increase the prices of meat and meat products by 35 percent this year, while holding other foodstuffs stable.

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[redacted] The public has been showing its discontent since the abortive attempt to raise food prices in June. The current tension is mainly the result of severe shortages of sugar, meat, and other consumer goods, and the leadership has probably decided that it is politically too dangerous to introduce higher prices on top of the shortages.

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[redacted] Sugar rationing was introduced in mid-August to halt a speculative surge in buying that threatened to deplete stocks. Forgoing meat price increases this year could lead to meat rationing to assure a more equitable distribution of available supplies.

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[redacted] In his speech, Gierek called for public patience until the economy can work its way out of the present difficulties. He frankly admitted that there are serious problems in supplying the population with meat and other products. He also commented favorably on church-state relations in an obvious bid to win support from the church during troubled times.

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[redacted] Today's Central Committee plenum will consider Politburo recommendations on the food price issue and also on stimulating agricultural production. The Central Committee plenum, the first since February, is long overdue. The leadership evidently chose not to consult the Central Committee before announcing the June price package, and this failure irritated many of its members. [redacted]

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Approved For Release 2007/03/06 : CIA-RDP79T00975A029300010014-1

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USSR - US - SOUTH AFRICA

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[redacted] Soviet commentary on the US - South African talks in Zurich has stressed the role played by Secretary Kissinger, indicating Moscow's apprehension over the possibility that "shuttle diplomacy" will be resumed.

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[redacted] Writing in *Pravda* on Tuesday, senior political commentator Yuriy Zhukov charged that the US role in Africa may cause "new dangerous complications" in the area and that the Secretary was trying to maintain "racists" in power.

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[redacted] During the talks, Soviet media accused the US of resorting to "illusory compromises, dubious half-measures, and political maneuvers" to create the "semblance" of a solution. The message to black African leaders is to be wary in dealing with the US.

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[redacted] The Soviets are already concerned that Secretary Kissinger's efforts may bear fruit. The chief of the USA Institute's Foreign Policy Department, G. A. Trofimenko, remarked to a US embassy official on Tuesday that he personally viewed the Secretary's activities in Africa as a "carbon copy" of the US approach in the Middle East.

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[redacted] The selection of Zhukov--a well-connected commentator who usually deals with major East-West issues--to write the *Pravda* commentary strongly suggests that more than just African issues are being addressed. Zhukov's direct criticism of Secretary Kissinger appears to be part of an increasing inclination on the part of the Soviets to find fault with the US administration in general and the Secretary's role in particular.

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CHINA: Anti-Teng Campaign

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[redacted] Since China's major earthquake last July, Peking has been strongly emphasizing production goals at the expense of the political campaign criticizing former vice premier Teng Hsiao-ping and his supporters. [redacted]

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[redacted] A *People's Daily* editorial on Tuesday--its fourth on the same subject in less than a month--called for using the anti-Teng campaign to boost the economy. This argument essentially relegates the political campaign to the back burner. The editorial noted in particular the need to improve railway work,

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[redacted] The editorial forcefully reiterated the prohibition against local factionalism that was contained in an editorial of August 23. That editorial, which was somewhat conciliatory toward errant officials, was quickly replayed in the provinces, and at least two province chiefs under attack as supporters of Teng highlighted the editorial's stricture against factionalism and its lenient attitude toward mistaken officials.

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[redacted] There is some evidence, however, that the August 23 editorial was not endorsed by the entire leadership. Several articles in the national media published within days of the editorial diverged from it by arguing for a continuation and broadening of the anti-Teng campaign.

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[redacted] Leftist political commentator Liang Hsiao, writing on August 26, focused his attention on whom should be attacked, and another article referred to people like Teng, calling for them to be toppled.

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[redacted] These pseudonymous articles are less authoritative than the editorial with which they are taking issue. They also have not been widely replayed in China, suggesting that most provincial leaders are in agreement with the dominant editorial line rather than the criticism of it.

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[redacted] The fact that *People's Daily* has seen fit to publish so many editorials on boosting production and curbing factionalism, however, suggests some resistance to concentrating on economic rather than political issues. Teng in fact has been attacked by the leftists all year for doing just that.

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[redacted] Media treatment of Premier Hua Kuo-feng further suggests that, although the more conservative members of the leadership are in the ascendancy, the political infighting is far from over.

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[redacted] Hua has finally emerged as the leading spokesman for earthquake relief efforts. At a reception on September 1 for "heroes" in relief work, he gave his most impressive speech to date on a domestic issue, emphasizing economic priorities and paying only perfunctory attention to the anti-Teng campaign.

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[redacted] Immediately following the earthquake, however, Hua's activities as the leader of the relief group received very little publicity. It was several days after the group had left Peking to visit the stricken areas before Hua was publicly identified as head of the group, and *People's Daily* did not begin showing pictures of him in the earthquake area until nearly two weeks after the earthquake.

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[redacted] //This delay in publicizing Hua's activity caused some Peking residents to grumble that the Premier had been slow to react,// which apparently was not the case. The delay did suggest, however, that those in charge of the media were not anxious to push Hua into the limelight.

(S NF) Even more unusual is the see-saw media treatment of Wu Te, Peking's party boss and a member of the Politburo. Wu was the only leader of an earthquake-stricken area not to participate publicly in relief activities.

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[redacted] The controversy surrounding Wu probably involves his position in the national government. He is the leading candidate to succeed the late Chu Te as de facto head of state, but

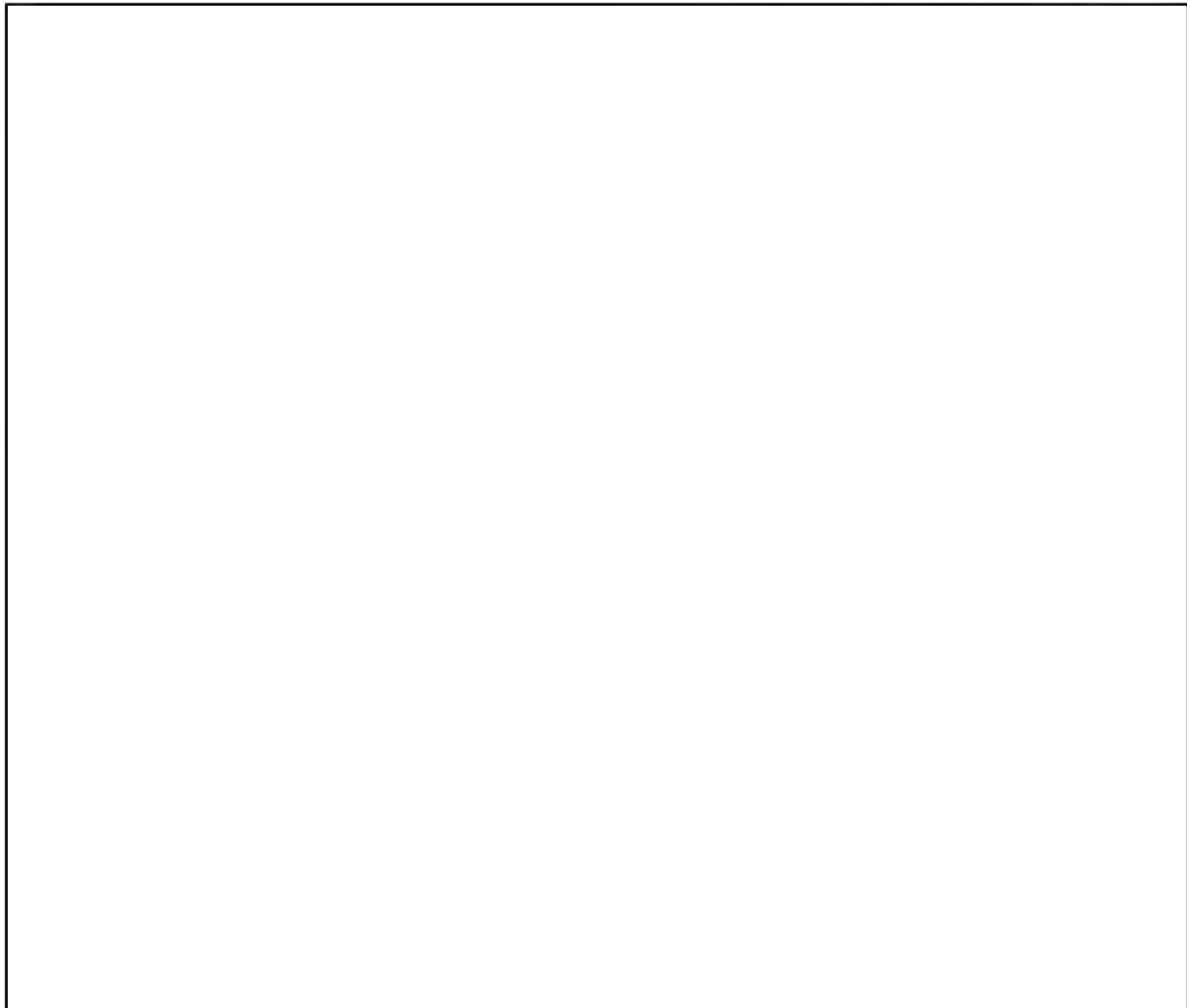
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he has not been named to the job and has not consistently performed the basically protocol duties associated with it. Wu seems to be in the moderate camp, and it is possible that party leftists are attempting to block his formal promotion.

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232

ANNEX to the National Intelligence Daily Cable
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CI NIDC 76-212
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Approved For Release 2007/03/06 : CIA-RDP79T00975A029300010014-1
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CHINA: Mao Dies

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[redacted] The death of Mao Tse-tung, announced this morning, will not come as a traumatic surprise to the Chinese populace; the regime has been preparing the public for this event for some time through wide dissemination of photographs showing an increasingly aged and infirm Chairman. The political repercussion of his demise, however, may well last for years.

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[redacted] Mao had been an important member of the Chinese Communist Party since its founding in 1921, and Chairman since the mid-1930s. He has been the most important man in China since the Communists took power in 1949 and the central reference point in the often confused politics of the party for much longer. Even when his will was partly thwarted by others in the Chinese leadership whose policy views differed from his own, his personality and programs could never be ignored; even his opponents claimed to be speaking in his name and to be carrying out his commands.

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[redacted] As the dominating force in Chinese politics, a founder of the party, the formulator of the "Chinese way" to communism and the man who led the Chinese revolution to triumph, Mao will be irreplaceable. There is no one on the Chinese scene today who even remotely commands the authority that has been accorded to him or who can easily assume the charismatic role of leader of the Chinese people he exercised for years.

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[redacted] In the upper echelons of the party, however, the Chairman's death may come as something of a relief to a considerable number of second-level leaders. Mao's autocratic actions, suspiciousness and sometimes erratic policy shifts were almost certainly resented by some of his associates and subordinates, particularly in the past decade. Some of these individuals are now likely to believe that more orderly and rational approaches to policy problems can be taken without fear of reprisals from the Chairman.

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[redacted] Although Mao's place in the three-thousand-year-old history of the Chinese state is likely to loom large, one conspicuous failure in his long domination of the political scene is already glaringly evident and is likely to have serious implications for the future. The Chairman did not

succeed in providing for a widely acknowledged and recognized successor. Two designated successors, Liu Shao-chi and Lin Piao, fell by the wayside in 1966 and 1971 respectively.

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A third, Teng Hsiao-ping, who appeared in a position to inherit much of Mao's authority if not the formal title of party chairman, was removed from all his high positions in early April. At the same time, the young Wang Hung-wen, who by virtue of his position in the hierarchy seemed to have a shot at succession to the formal title of party chairman--but probably without much of the authority that normally could accrue to that post--was passed over for promotion last April. Finally, Chou En-lai, who by virtue of his experience and the respect accorded him by most Chinese was perhaps the most logical of all possible successors to Mao, died last January.

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For several years the Chinese have talked about post-Mao arrangements in terms of a collegial group which would in effect share the Chairman's authority among themselves. Such an arrangement is entirely possible, at least in the short run, since it seems clear that no single individual has the stature to replace Mao in his full leadership capacity.

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It is possible, in fact, that the post of party Chairman may now be retired, as a post that could only be held by the irreplaceable leader who has just died. The Nationalist Chinese on Taiwan followed a similar procedure at the death of Chiang Kai-shek last year. In this case, Peking would probably revive the post of party secretary-general, which has been dormant since the start of the Cultural Revolution, in order to provide a manager for party affairs.

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If the post of Chairman is to be filled, however, the most likely candidate for the job is Premier Hua Kuo-feng, who is now "first" party vice chairman, a new post created in early April, at the time of the fall of Teng Hsiao-ping. Hua is, however, a compromise figure who lacks a strong power base and who has operated at the center of power for only a few years. In his hands the post of chairman would be less important than it was when Mao occupied the position. Moreover, there are almost certainly a number of senior leaders of the party who would prefer that additional power and prestige did

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not accrue to Hua. There have been occasional covert attacks on Hua in the media since January, and his deputy in Hunan Province, which he ran before coming to Peking, has been under heavy political pressure for several months.

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[redacted] It is possible, therefore, that Hua's elevation to the chairmanship could be contested, and in fact any decision to fill the post might be put off for some time. It is also possible that if Hua were elevated to the chairmanship, he could be balanced off by a reconstitution of the post of secretary-general. In this case a leading candidate for that job would be the leftist political boss of Shanghai, Chang Chun-chiao, who probably performs the functions of secretary-general on a de facto basis at present. There is certain to be opposition to this appointment from the party's right wing, however.

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[redacted] If the post of chairman were abolished, that of the current party vice chairman would also have to be abolished. In addition to Hua, the other vice chairmen are Wang Hung-wen, whose youth makes him suspect to many older party members and whose alignment with the left wing of the party is a major disability in the eyes of the rightists, and Defense Minister Yeh Chien-ying, a long-time associate of the late Chou En-lai who has been identified with the party's right wing and who came under criticism earlier this year for his vehement support of Teng Hsiao-ping.

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[redacted] The balance these two men provide could be an argument for preserving the system of chairman and vice chairmen. If, however, that system is scrapped, Hua Kuo-feng would be an obvious candidate for the secretary-general's post. Since Chang Chun-chiao also has claims on this job, a clash between the two could easily develop.

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[redacted] Insofar as the principle of collegiality is followed by the Chinese, the three current vice chairmen, Chang Chun-chiao and Peking Military Region Commander Chen Hsi-lien would almost certainly form the core of the collective. These five men are the most powerful in China today. They are not likely to work easily together, however. The left-right split between Yeh, on the one hand, and Wang and Chang, on the other, is already pronounced, and as already noted there is potential for serious friction between Chang and Hua.

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[redacted] Chen, even more than Yeh, the defense minister, is likely to represent military interests in the collective. Many important military figures have resented the leftist leaders since the days of the Cultural Revolution, and to the degree that Chen speaks for them, he could come into conflict with Chang and Wang. Chen, however, appears to be an ambitious man whose personal interests could lead him into temporary and expedient alliances with any civilian faction. He is reported to have abandoned Teng Hsiao-ping at a crucial juncture last January, for example, and this move may have been an important factor in Teng's subsequent political demise.

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[redacted] Latent factionalism among the ruling group is likely to come to the fore rather quickly, in fact. Mao's death occurs at a tense and rather fluid moment in Chinese politics. Repercussions from the Teng purge are still echoing throughout the country--in the provinces and in Peking. The fissure between the party's right and left wings is perhaps wider than at any time since the late stages of the Cultural Revolution, and the issue of relations between the military and civilian members of the party is still not fully resolved. Since the attacks on Teng began, the army has begun to reemerge as an important factor in political affairs; this tendency is likely to become more pronounced in the wake of Mao's death.

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[redacted] This confused situation makes a struggle among the various factions in the leadership all but inevitable, and this struggle is likely to make itself manifest sooner rather than later. Mao has died at an unpropitious moment for the party's left wing, however. This group--a minority in the party and among the leadership--has not yet managed to achieve a solid and largely unassailable position, as it clearly hoped to do before the Chairman's death. Mao had his differences with the leftists in recent years, but they were at most times able to play on his obsessive concern for the development of an equalitarian China, and their enemies were inhibited by fear that Mao could intervene on their behalf in unexpected fashion. This inhibition has now been removed.

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[redacted] One likely victim of these changed circumstances is Mao's wife, the termagant Chiang Ching. She is widely disliked, and without the Chairman's potential protection

she may well fall by the wayside rather quickly. The left as a whole is in fact now in a somewhat unenviable position. It is likely to be on the defense in whatever struggle develops in the wake of Mao's death. Nevertheless, leftist leaders, although a minority, speak for a significant portion of the Chinese party, and the struggle, if it develops, is not likely to be resolved quickly.

This fact, plus the obvious difficulty the Chinese will have in adjusting to a China without Mao, is likely to inhibit the development of new policy initiatives and to slow the implementation of policies already adopted, both in the domestic and foreign policy spheres. If the military gains an increased voice in policy-making, however, it is possible that Peking may become more receptive to the idea of moderating somewhat its unyielding opposition to the USSR.